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No. 84-1829

IN THE
Supreme Court of the United States
OCTOBER TERM, 1985

ILLINOIS COMMERCE COMMISSION, *et al.*,
Petitioners,

v.

INTERSTATE COMMERCE COMMISSION, *et al.*,
Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the District of Columbia Circuit

BRIEF IN OPPOSITION OF RESPONDENT ILLINOIS RAILROADS

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BRIEF IN OPPOSITION OF RESPONDENT ILLINOIS RAILROADS

Respondents The Atchison, Topeka and Santa Fe Railway Company, *et al.* (hereinafter "Illinois Railroads"),[1] intervenor-respondents below, respectfully request that this Court deny the petition for a writ of certiorari seeking review of the judgment of the United States Court of Appeals for the District of Columbia Circuit in this

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[1] Pursuant to Rule 28.1 of this Court's Rules, a list of the respondent Illinois Railroads and their respective parent, affiliate and subsidiary companies appears in the Appendix to this Brief. Each of the respondents is an interstate rail carrier currently providing rail freight service in the State of Illinois.

case. The decision below is reported at 749 F.2d 875 (D.C. Cir. 1984).[2]

STATEMENT OF THE CASE

This case involves the affirmance by the United States Court of Appeals for the District of Columbia Circuit of a decision of the Interstate Commerce Commission ("ICC") under the Staggers Rail Act of 1980.[3] The ICC determined that the Illinois Commerce Commission may not be "certified" to regulate the intrastate rates of interstate railroads operating in Illinois unless the state agency agrees to abide by ICC decisions exempting certain categories of rail transportation from regulation. To put the case in context, a brief overview of the Staggers Act, and in particular the provision relating to the state certification process, is instructive.

The Staggers Act was passed to remedy decades of overregulation and undercapitalization of the nation's railroads. Its principal features are: (1) partial deregulation of railroad rates to assist rail carriers in achieving long-term revenue adequacy, and (2) preemption of independent state regulatory authority over railroad rates to end the drain on carrier revenues imposed by local favoritism and by inconsistent state regulatory standards and procedures. To implement its deregulatory purpose, Congress imposed a variety of limitations on the ICC's jurisdiction to oversee rates set by carriers operating in the marketplace. *E.g.*, Staggers Act, §§ 201-203. As an important adjunct to these deregulatory measures, Congress also provided in section 213 of the Act that the ICC would have the authority—and the obligation—to exempt from regulation any person, transaction or service for

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[2] The decision below is also reprinted in the Appendix to the Petition for Certiorari at 1a to 37a. Subsequent references to the decision of the court of appeals will appear in the form: "749 F.2d at ——, Pet. App. at ——."

[3] Pub. L. No. 96-448, 94 Stat. 1895 (1980).

which regulation "is not necessary to carry out the [national] transportation policy" and either "the transaction or service is of limited scope" or regulation "is not needed to protect shippers from the abuse of market power." 49 U.S.C. § 10505(a).

To a significant extent, the preemption provision of the statute, section 214, was a product of the same concerns that prompted Congress to embark on its general deregulatory course. The legislative history makes clear that section 214 was enacted to ensure that independent state regulation would not frustrate Congress' overall effort in the Staggers Act to free interstate rail carriers from the grip of unduly burdensome regulation.[4] Thus, Congress preempted the states' independent authority to regulate intrastate rail rates, but offered states the option of continuing to play a role in the regulatory scheme if they would agree to abide by federal standards and procedures. To exercise this option, a state regulatory agency must apply to the ICC for "certification" that its "standards and procedures are in accordance with the standards and procedures applicable to regulation of rail carriers by the [ICC] under [the Interstate Commerce Act]." 49 U.S.C. § 11501(b)(3). A state which receives certification may regulate intrastate rail rates for a period of five years, subject to review of individual state decisions by the ICC to determine whether the standards and procedures applied are "in accordance with the provisions of this subtitle." *Id.* § 11501(c). A state that is denied certification, or does not seek certification, "may not exercise jurisdiction over an intrastate rate, classification, rule, or practice"; intrastate rates in such states are

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[4] The Conference Committee reported, for example, that the purpose of section 214 was "to ensure that the price and service flexibility and revenue adequacy goals of the Act are not undermined by state regulation of rates, practices, etc., which [is] not in accordance with these goals." H.R. Rep. No. 1430, 96th Cong., 2d Sess. 106, *reprinted in* 1980 U.S. Code Cong. & Ad. News 4110, 4138.

deemed to be subject to ICC jurisdiction. *Id.* § 11501(b)(4)(B).

After the passage of the Staggers Act in October 1980, forty states applied for certification, Illinois among them.[5] In its application for certification, the Illinois Commerce Commission took the position that an exemption granted by the ICC pursuant to section 213 of the Staggers Act is effective only at the interstate level. For intrastate traffic, Illinois reserved the right to make an independent determination whether an exemption should be granted under the criteria set forth in section 213. In this regard, Illinois' application stated: "An exemption granted for a class of interstate traffic shall not automatically apply in Illinois." Illinois' First Amended General Order No. 219, Pet. App. at 65a.

In an opinion issued August 5, 1982, the ICC initially indicated that it was "tentatively" inclined to accept Illinois' interpretation of its obligations under the statute. *Ex Parte No. 388, State Intrastate Rail Rate Authority—P.L. 96-448* (I.C.C. July 28, 1982) (unpublished), Pet. App. at 54a. Pending comments from other interested parties, however, the ICC left the issue open

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[5] Subsequently, when the ICC found itself unable to certify these states on the basis of the record existing at the end of the application period, it "provisionally certified" the forty states with applications on file, pending final action on their requests for certification. This "provisional certification" procedure was upheld by the Seventh Circuit in *Illinois Central Gulf Railroad v. ICC*, 720 F.2d 958, 962-63 (7th Cir. 1983).

ICC certification decisions issued through July 19, 1985 indicate that twenty states have now been granted certification under section 214 based on their commitment to apply all applicable federal standards and procedures, including ICC exemption decisions. Another eighteen states and the District of Columbia have elected not to pursue certification. One state, Texas, has been denied certification. *See Railroad Commission of Texas v. United States*, No. 84-1180 (D.C. Cir. June 21, 1985) (affirming ICC denial of certification). The remaining eleven states, including Illinois, continue to be "provisionally certified" pending final ICC action on their applications.

for further consideration. After receiving comments from the Illinois Railroads and the Illinois Commerce Commission, the ICC concluded that the exemption power was "such a significant aspect of the Staggers Act, Congress could not have intended the practical problems and inconsistencies that would result from States retaining jurisdiction over classes of traffic exempted nationwide by the Commission." *Ex Parte No. 388, State Intrastate Rail Rate Authority—P.L. 96-448*, 367 I.C.C. 149, 153 (1983), Pet. App. at 47a. To the extent conditions in a particular state were sufficiently exceptional to warrant continued intrastate regulation in spite of a federal exemption, the ICC provided that such conditions could be accommodated through a procedure for modification of the federal exemption to exclude the affected state. *Id.* at 154, Pet. App. at 48a-49a. Accordingly, the ICC held that Illinois could not be certified until it modified its application to indicate its intent to comply with ICC exemption orders.

On review of this decision, the court below concluded "that the ICC reasonably interpreted the Act when it found that a federal exemption decision is a federal 'standard and procedure' to which States must defer." 749 F.2d at 885, Pet. App. at 22a. The court expressly noted that it was not necessary for it to reach the broader ground—adopted by two other courts of appeals to date—that *all* ICC decisions and rules should be considered standards and procedures binding on the states. *Id.*[6] The court of appeals also rejected various constitutional challenges to the statute and to the ICC's action in this case. Rehearing and rehearing *en banc* were denied and this petition for certiorari followed.

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[6] *See Illinois Central Gulf Railroad v. ICC*, 702 F.2d 111, 115 (7th Cir. 1983); *Wheeling-Pittsburgh Steel Corp. v. ICC*, 723 F.2d 346, 354-55 (3d Cir. 1983); *see also Texas v. United States*, 730 F.2d 409, 419 (5th Cir. 1984), *modified on rehearing*, 749 F.2d 1144 (1985).

REASONS FOR DENYING THE WRIT

Petitioners characterize this case as one of "first impression and national significance," Pet. at 11, and claim that it presents four distinct issues that warrant this Court's review. In fact, the only genuine issue raised by the decision below is a narrow one of statutory interpretation: whether the ICC correctly determined that the Illinois Commerce Commission is required to adopt federal exemptions from regulation as a condition for certification under section 214 of the Staggers Act. The court of appeals' rationale for affirming the ICC on that issue is sound and is fully consistent with other decisions construing the authority of the ICC and the obligations of the states under section 214. Moreover, the ICC's decision will have little, if any, practical impact on the states' exercise of their regulatory authority under the Staggers Act. There is, therefore, no occasion for this Court to review the decision below.

I. THIS CASE PRESENTS NO GENUINE PREEMPTION QUESTION OR OTHER CONSTITUTIONAL ISSUE

The argument pressed most vigorously by petitioners is that the court below erred in characterizing section 214 of the Staggers Act as a statute that preempts independent state regulatory authority over intrastate rail rates and practices. *See* Pet. at 12-17. In particular, petitioners take issue with the court of appeals' statement that, in enacting section 214, "[Congress] totally preempted State authority . . . then restored some as a matter of legislative grace." Pet. at 12-13, quoting 749 F.2d at 878, Pet. App. at 6a. In petitioners' view this formulation bespeaks a presumption of "total preemption," which is alleged to offend this Court's traditional analysis of preemption questions, Pet. at 13, and to conflict with the decisions of other courts of appeals, Pet. at 14-16.

Petitioners' preemption argument seriously mischaracterizes the decision below. Read in its entirety, the court of appeals' opinion makes quite clear that the court did not construe the ICC's authority under section 214 as totally eliminating the role of the states. Instead, the lower court merely found that "the ICC's preemptive power was expanded considerably by the Staggers Rail Act." 749 F.2d at 877, Pet. App. at 4a. The court's understanding of section 214 was firmly grounded in the language of the statute and not, as petitioners would have it, in some unfounded presumption:

> Having totally preempted State authority, Congress restored some of it as a matter of legislative grace. But the extent of the State authority was narrowly circumscribed. First, the States had to apply for federal permission to regulate intrastate rail commerce. If the States convinced the ICC that their proposed regulations were "in accordance with the standards and procedures applicable to regulation of rail carriers by the Commission under this title," then the ICC would "certify" the States. . . . Once certified, the States were empowered to regulate intrastate traffic pursuant to the standards and procedures stated in [their] application[s]. . . . Second, even after certification, the ICC could review, upon petition by a rail carrier, the decision of any State authority for compliance with federal standards and procedures. . . . Third, regardless of any authority granted pursuant to certification, States were absolutely precluded from regulating general rate increases, inflation-based rate increases, and fuel adjustment surcharges.

749 F.2d at 878, Pet. App. at 6a-7a (citations omitted). Because the court below was simply following the specific preemptive provisions of the statute, *cf. Texas v. United States*, 730 F.2d 339, 347-48 (5th Cir.), *cert. denied*, 105 S. Ct. 267 (1984), its approach is entirely consistent with this Court's teachings. *See Jones v. Rath Packing Co.*, 430 U.S. 519, 525 (1977).

Moreover, the court's formulation of a total congressional preemption followed by a restoration of some state authority is not an inaccurate characterization of the congressional compromise upon which petitioners place so much emphasis. Congress did preempt *independent* state authority over intrastate rail rates, classifications, rules, and practices. Congress left the states the authority to regulate only if they did so "exclusively in accordance with the provisions" of federal law. 49 U.S.C. § 11501(b)(1).

There is, in fact, no independent preemption issue that is susceptible of review in this case. Both petitioners and the dissent below acknowledge that section 214 is fundamentally a preemptive provision. *See* Pet. at 13; 749 F.2d at 888, Pet. App. at 27a.[7] The only issue presented in this case is whether the admittedly preemptive provisions of section 214 can reasonably be construed to require the Illinois Commerce Commission to adopt federal exemptions. That issue is a narrow one which in no way implicates the broader doctrines formulated by this Court to determine whether, in the absence of explicit congressional guidance, courts can infer an intent to preempt.

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[7] Similarly, the court of appeals decisions that petitioners allege to be in conflict with the decision below recognize that section 214 of the Staggers Act is by its nature a preemptive statute. For example, the Third Circuit decision in *Wheeling-Pittsburgh Steel Corp. v. ICC*, 723 F.2d 346, 353 (3d Cir. 1983), states that "the ICC must, in exercising its authority under section 11501(b) to preempt state rates for nonconformity with federal standards or procedures, make the basis for its preemption order clear." In an even broader statement, the Fifth Circuit concluded that "[t]he preemption of state law implicit in the goals and operation of the Staggers Act is unmistakable." *Texas v. United States*, 730 F.2d 339, 347 (5th Cir.), *cert. denied*, 105 S. Ct. 267 (1984). The decision below is in accord with these decisions in viewing section 214 as a preemptive statute that preserved a limited role for the states.

Petitioners' effort to impute broad significance to this case by alleging a Tenth Amendment issue is also unavailing. Apparently recognizing that section 214 of the Staggers Act has withstood facial constitutional challenges,[8] petitioners state that "Illinois [does] not challenge the constitutionality of the Staggers Act but the action of the Interstate Commerce Commission." Pet. at 22. Petitioners' constitutional claim is presented in the following terms:

> Given that the intent of certification was to preserve State authority, federalism as expressed in the Tenth Amendment of the U.S. Constitution limits the ICC from further restriction of the certified States. Absent express or implied authorization, the ICC's discretionary authority must give way when it contravenes any Constitutional provision.

Id. at 22-23.

Leaving aside petitioners' misleading characterization of "the intent of certification," this formulation fails to state a cognizable constitutional issue for two reasons. First, the implication that Congress withheld discretionary authority from the ICC in connection with the certification process established in section 214 is at odds with the express terms of the statute. The statute explicitly authorizes the ICC to "determine[]" whether the standards and procedures submitted by a state conform to the standards and procedures applicable to the regulation of rail carriers by the ICC, and to grant or deny certification based on this determination. 49 U.S.C. § 11501(b)(3)(A). *See also Illinois Central Gulf Railroad v. ICC*, 720 F.2d 958, 961-62 (7th Cir. 1983).

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[8] *See Texas v. United States*, 730 F.2d 339 (5th Cir.), *cert. denied*, 105 S. Ct. 267 (1984); *Alabama Electric Cooperative, Inc. v. United States*, No. 81-619-N (M.D. Ala. May 15, 1984); *Montana ex rel. Montana Department of Agriculture v. United States*, No. CV-81-29-GF (D. Mont. Sept. 9, 1983), *aff'd on other grounds*, No. 83-4246 (9th Cir. Nov. 23, 1984).

More important, petitioners have failed to explain how or why the ICC's exercise of discretionary authority in connection with the certification process *could* violate the Tenth Amendment.[9] Petitioners' vague allegations would not have stated a Tenth Amendment claim even prior to this Court's recent decision in *Garcia v. San Antonio Metropolitan Transit Authority*, 105 S. Ct. 1005 (1985), which overruled *National League of Cities v. Usery*, 426 U.S. 833 (1976). *See Hodel v. Virginia Surface Mining & Reclamation Association*, 452 U.S. 264, 287-88 & n.29 (1981). Given the absence of any colorable Tenth Amendment claim, petitioners have failed to demonstrate that a serious constitutional issue is presented in this case.

II. THE ICC'S DETERMINATION THAT ILLINOIS MUST AGREE TO ADOPT FEDERAL EXEMPTIONS FROM REGULATION IS REASONABLE AND WILL HAVE MINIMAL PRACTICAL EFFECT ON ILLINOIS OR ANY OTHER STATE

The only genuine issue presented by the decision below is the validity of the ICC's decision that the Illinois Commerce Commission must agree to adopt federal exemptions from regulation as a condition for certification under section 214 of the Staggers Act. The clearly articulated congressional policies of deregulation and uniformity that underlie the Staggers Act, as well as the terms of the statute and the decisions of other courts of

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[9] As this Court made clear in *Fidelity Federal Savings & Loan Association v. de la Cuesta*, 458 U.S. 141, 153 (1982), a preemptive decision made by an administrative agency acting pursuant to its statutory authority has no less effect than a federal statute. "Where Congress has directed an administrator to exercise his discretion, his judgments are subject to judicial review only to determine whether he has exceeded his statutory authority." *Id.* at 153-54. Thus, the issue in this case is clearly one of statutory interpretation rather than constitutional analysis, as petitioners' reliance upon *FEC v. Democratic Senatorial Campaign Committee*, 454 U.S. 27 (1981), implicitly acknowledges.

appeals, establish that the court below correctly affirmed the ICC on this issue. Moreover, even if the ICC's decision were incorrect, the consequences of any error would be minimal. The ICC recognized that unique local conditions might justify continued state regulation of an aspect of rail transportation that has been exempted at the federal level. It therefore made clear that Illinois, or any other state with reason to believe such conditions exist, could participate in the federal exemption process and seek retention or reinstitution of regulation on either a nationwide or state-by-state basis.

One of the principal goals of the Staggers Act was "to minimize the need for Federal regulatory control over the rail transportation system." 49 U.S.C. § 10101a(2). Congress did not specify all the steps that should be taken to reduce regulatory burdens on the nation's railroads, but instead directed the ICC to pursue the broad deregulatory goal of the legislation by granting exemptions from regulation. Congress viewed the exemption provision as "an important cornerstone of the Rail Act" and charged the ICC "with the responsibility of actively pursuing exemptions for transportation and service" in accordance with the provisions of the exemption statute. H.R. Rep. No. 1035, 96th Cong., 2d Sess. 60, *reprinted in* 1980 U.S. Code Cong. & Ad. News 3978, 4005. *See also American Trucking Associations v. ICC*, 656 F.2d 1115, 1119 (5th Cir. 1981). The ICC has carried out this mandate by exempting numerous commodities and classes of traffic from rate regulation.[10]

Congress also sought to assure that the new freedom from regulation would extend to intrastate rate regulation. The entire thrust of section 214 was "to ensure

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[10] *See, e.g., Rail General Exemption Authority—Miscellaneous Commodities*, 364 I.C.C. 945 (1981); *Improvement of TOFC/COFC Regulation*, 364 I.C.C. 731, *aff'd sub nom. American Trucking Associations v. ICC*, 656 F.2d 1115 (5th Cir. 1981); *Iron Sulphate Exemption*, 367 I.C.C. 503 (1983).

that the price and service flexibility and revenue adequacy goals of the Act are not undermined by state regulation of rates, practices, etc., which [is] not in accordance with these goals." H.R. Rep. No. 1430, 96th Cong., 2d Sess. 106, *reprinted in* 1980 U.S. Code Cong. & Ad. News 4110, 4138. The certification process established in section 214 was a mechanism to ensure that the substantially modified regulatory regime envisioned by the Staggers Act would be extended uniformly to intrastate as well as interstate rail transportation.

The decision of the ICC in the instant case was viewed explicitly by the agency as a means of fostering the congressional policies of deregulation and the uniform application of federal policies:

> Because section 10505, and its underlying policy, is such a significant aspect of the Staggers Act, Congress could not have intended the practical problems and inconsistencies that would result from States retaining jurisdiction over classes of traffic exempted nationwide by the Commission. As an example, a trailer-on-flatcar (TOFC) shipment from Chicago to E. St. Louis, IL could be subject to intrastate regulation, while a TOFC shipment from Chicago to St. Louis, MO only a few miles further, is exempt from all regulation. This would cause unjustifiable operational and/or marketing difficulties for the railroads conducting business for the same class of traffic under both a regulated and unregulated environment. Given the policy noted above, we conclude that Congress did not intend for the continued existence of State regulation that would produce this awkward result—namely, interference with the railroads' and shippers' freedom to take advantage of permitted flexibility in doing business under the Staggers Act.

367 I.C.C. at 153, Pet. App. at 47a-48a.

Petitioners do not dispute the existence of these policies nor deny that the ICC is responsible for implement-

ing them. Instead, they criticize the ICC and the court of appeals for allegedly failing to provide specific textual support for the conclusion that Illinois was required to adhere to the ICC's exemption decisions. *See* Pet. at 17-21. In petitioners' view, the ICC's action was impermissible because section 214 does not expressly define an ICC exemption decision as a "standard." Pet. at 18.

Petitioners' restrictive reading of the term "standards and procedures" is unsupported by either the language or the purposes of section 214. Congress expressly conferred on the ICC the authority to determine whether a state's proposed "standards and procedures are in accordance with the standards and procedures applicable to regulation of rail carriers by the Commission under this title." 49 U.S.C. § 11501(b)(3)(A). This language does not limit the criteria that the ICC can use in determining the conformity of state standards and procedures with federal law as applied by the ICC; instead it gives the ICC broad discretion to determine whether the state has proposed to regulate intrastate rail transportation on the same terms as the ICC itself. *See Railroad Commission of Texas v. United States*, No. 84-1180 (D.C. Cir. June 21, 1985), slip op. at 14 ("If a State consistently interprets its seemingly complying regulations in a fashion that conflicts with the interpretation accorded by the ICC to its own regulations, then the State's standards and procedures are not in accord.").

ICC exemption decisions that apply to commodities or classes of traffic are, by their very nature, expressions of federal deregulatory policy. They are adopted in accordance with APA notice and comment rulemaking requirements, published in the Federal Register and, in many instances, codified in the Code of Federal Regulations. *See* 49 C.F.R. §§ 1039.10 *et seq.* When adopted by the ICC they manifestly become "applicable to the regulation of rail carriers by the Commission" under the Interstate Commerce Act because they determine whether

particular commodities or classes of traffic are in fact to be regulated at all. Thus, regardless of whether exemption decisions are characterized as "policies," "rules," or "standards," they are controlling law for the agency that issues them and the railroads and shippers they affect. Section 214 was enacted to ensure that such provisions of federal law would be applied uniformly.

This overriding requirement of uniformity has led the various courts of appeals that have examined the scope of the concept of "standards and procedures" under section 214 to construe the term broadly so as to fulfill Congress' objectives. The Third Circuit has held "that the phrase 'standards and procedures' in section 11501 (c) refers to standards and procedures promulgated and interpreted in decisions and orders of the ICC as well as those standards or procedures expressly incorporated in the Interstate Commerce Act." *Wheeling-Pittsburgh Steel Corp. v. ICC*, 723 F.2d 346, 354-55 (3d Cir. 1983). Similarly, the Seventh Circuit has held that "a discrete reading of the statute requires that consistent rulings of the ICC must necessarily be incorporated and adhered to by state commissions exercising jurisdiction pursuant to the Staggers Act." *Illinois Central Gulf Railroad v. ICC*, 702 F.2d 111, 115 (7th Cir. 1983). And the Fifth Circuit has concluded that ICC "rules are themselves a part of the federal law, and state authorities exercising jurisdiction over intrastate commerce conducted by interstate carriers must exercise such jurisdiction only in accordance with them." *Texas v. United States*, 730 F.2d 409, 415 (5th Cir. 1984), *modified on rehearing*, 749 F.2d 1144 (1985). These decisions, which go beyond the scope of the narrow holding in this case, conclusively refute petitioners' wooden contention that an ICC exemption cannot be a standard under section 214.

As the court below recognized, the ICC's determination that the Illinois Commerce Commission must adhere to federal exemptions if it is to be certified is entitled

to "great deference." 749 F.2d at 880, Pet. App. at 11a (quoting *EPA v. National Crushed Stone Association*, 449 U.S. 64, 83 (1980)). Hence, "the task for the Court of Appeals was not to interpret the statute as it thought best but rather the narrower inquiry into whether the Commission's construction was 'sufficiently reasonable' to be accepted by a reviewing court." *FEC v. Democratic Senatorial Campaign Committee*, 454 U.S. 27, 39 (1981). Particular deference should be accorded to the ICC's decision in this case because, as both the majority and the dissent below recognized, "the ICC based its ruling on commercial policy considerations that implicated the agency's expertise." 749 F.2d at 881-82, 890, Pet. App. at 13a-14a, 32a.

Moreover, even if there were compelling reasons for concluding that the ICC erred in implementing the policies that it is entrusted to pursue, the practical consequences of the ICC decision in issue here are extremely limited.[11] Contrary to petitioners' representations, the requirement that the Illinois Commerce Commission agree to adopt federal exemptions does not preclude it from exercising a meaningful role with respect to exemptions from regulation. Illinois can play a significant role in the exemption process in two ways, both of which are consistent with the Staggers Act goal of uniformity and with the statutory scheme created by Congress.

First, Illinois may, like any other interested party, participate in the ICC's notice and comment exemption proceedings and present its views as to why a particular proposed exemption from regulation should not be

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[11] Petitioners' assertion that the decision below "affects every State in the nation," Pet. at 11, is incorrect. As indicated in note 4, *supra*, eighteen states and the District of Columbia have voluntarily withdrawn from the regulation of intrastate rail transportation in the wake of the Staggers Act. Moreover, the twenty states that have been certified by the ICC to regulate intrastate rail transportation have agreed to adopt federal exemptions from regulation issued by the ICC.

granted or should be limited in scope. Second, as the ICC specifically recognized in this case, Illinois could seek to have an exemption revoked [12] in whole or in part:

> [T]here is always the theoretical possibility that, as to a particular exemption, conditions in a State could be unique. Allegations to this effect can be handled . . . on a petition by a State, a railroad, a shipper, or any interested person if regulation is required to carry out the rail transportation policy of 49 U.S.C. 10101a. Accordingly, we could, if circumstances warrant, reinstitute regulation of previously exempted matters on either a broad (*e.g.*, nationwide) or narrow (*e.g.*, State-by-State) basis.

367 I.C.C. at 154, Pet. App. at 48a-49a.

These procedures assure that state interests can be served without burdening intrastate rail transportation in the first instance.[13] Moreover, under this regime, any

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[12] 49 U.S.C. § 10505(d) provides that "[t]he Commission may revoke an exemption, to the extent it specifies, when it finds that application of a provision of this subtitle to the person, class, or transportation is necessary to carry out the transportation policy of section 10101a of this title."

[13] The alternative procedure advocated by Illinois, whereby the state would independently determine whether proposed exemptions were applicable to intrastate rail transportation, would inevitably entail a burden on both railroads and shippers. The likelihood of state regulatory delay would exist even in cases where the state ultimately granted the exemption. In cases where the ICC granted an exemption for interstate traffic and a state declined to do so, the inevitable result would be an appeal to the ICC under 49 U.S.C. § 11501(c). Unless the circumstances in the state were unique, the ICC would overturn the state's denial of the exemption for failure to apply federal standards and procedures. *See* 749 F.2d at 891, Pet. App. at 34a (Scalia, J., dissenting). Thus, uniformity would ultimately be achieved but the costs would be substantial, as would the burdens on intrastate rail transportation while the state exemption and ICC proceedings were pending. In this regard, it is significant that congressional concern over the burdens caused by regulatory lag was a major reason section 214 was enacted. H.R. Rep. No. 1035, 96th Cong., 2d Sess. 61, *reprinted in* 1980 U.S. Code Cong. & Ad. News 3978, 4006.

allegation that the ICC has infringed upon the regulatory authority of the states can be reviewed by the courts in the context of a particular exemption proceeding. Because neither Illinois nor any other state will be precluded from participating in the exemption process or from seeking revocation of an exemption granted by the ICC, the practical effect of the decision below is extremely limited. There is thus no need for review by this Court.

CONCLUSION

The decision below raises no issue warranting review by this Court. The petition for a writ of certiorari should be denied.

Respectfully submitted,

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Counsel for Respondent
Illinois Railroads

July 22, 1985

APPENDIX

APPENDIX

LIST OF PARENT, SUBSIDIARY AND AFFILIATE CORPORATIONS

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY

Santa Fe Southern Pacific Corporation
Santa Fe Industries, Inc.
Advertising Direction Inc.
Alameda Belt Line
Central California Traction Company
The Clinton and Oklahoma Western Railroad Company
The Dodge City and Cimarron Valley Railway Company
Fresno Interurban Railway Company
The Garden City, Gulf and Northern Railway Company
The Gulf and Inter-State Railway Company of Texas
Haystack Mountain Development Company
The Kansas Southwestern Railway Company
Los Angeles Junction Railway Company
The Oakland Terminal Railway
Oklahoma City Junction Railway Company
Rio Grande, El Paso and Santa Fe Railway Company
St. Joseph Terminal Railroad Company
Santa Fe Forwarding Company
Santa Fe Industrial Realty Company
Santa Fe Rail Equipment Company
Santa Fe Terminal Services, Inc.
Santa Fe Transportation Company
Star Lake Railroad Company
Sunset Railway Company
Transit Ice Company
Kirby Forest Industries, Inc.
Walker-Kurth Lumber Company
Limited Partnership Management, Inc.
Robert E. McKee, Inc.
B & C General Agency, Inc.
McKee Building Services, Inc.
McKee Products, Inc.

Sun Country Construction Company
SF Minerals Corporation
Cerrillos Land Company
SF Coal Corporation
Santa Fe Mining, Inc.
Gallo Wash Coal Company
Hospah Coal Company
Pintada Coal Company
Santa Fe Capital, Inc.
Santa Fe Land Improvement Company
Chula Vista Bayfront Investment Company
Santa Fe Towers Land Company
Santa Fe Natural Resources, Inc.
Santa Fe Energy Company
SF Energy Company of Colombia
SF Energy Company of Indonesia
SF Energy Company of Indonesia (Bunyu Block)
SF Energy Company of Indonesia (Java Basin A)
SF Energy Company of Indonesia (Java Basin B)
Santa Fe Energy Company of Tunisia
Santa Fe Energy Products Company
Santa Fe Oil Company
Santa Fe Pacific Fuels Company
Santa Fe Pacific Railroad Company
Santa Fe Pipelines, Inc.
Gulf Central Pipeline Company
Gulf Central Storage and Terminal Company
Gulf Central Storage and Terminal Company of Nebraska
San Diego Pipeline Company
Santa Fe Marketing Company
Santa Fe Pipeline Company
Southwest Pipe Line Company
Standard Office Building Corporation
The Zia Company
Los Alamos Constructors, Inc.
SGSI Corporation
Southern Pacific Company

Bankers Leasing and Financial Corporation
Bankers Leasing Corporation
Asociados Internacionales del Pacifico
BLC Corporation
Commetro Leasing, Inc.
Commonwealth Control, Inc.
The Commonwealth Plan, Inc.
The Commonwealth Plan of Puerto Rico, Inc.
The Commonwealth System, Inc.
Financial Leasing Corporation
Lease Capital, Inc.
The Midwest Commonwealth Plan, Inc.
The Pacific Plan, Inc.
The Worcester Plan, Inc.
BLFC Securities Corporation
ComPlan, Inc.
Bravo Oil Company
Constellation 130, Inc.
Constellation Reinsurance Company
Constellation Reinsco, Inc.
CRM Associates, Inc.
Galaxy Reinsurance Company
One Market Street Properties, Inc.
Pacific Petroleum Pipe Lines, Inc.
San Diego Pipeline Company
Santa Fe Pacific Realty Corporation
Santa Fe Pacific Timber Company
So Pac Finance N.V.
Southern Pacific Development Company
Canton Street Properties, Inc.
Golden Empire Investment Corporation
Southern Pacific Industrial Development Company
Southern Pacific Land Company
Geoproducts Corporation
Southern Pacific Pipe Lines, Inc.
Black Mesa Pipeline, Inc.
Mescalero Pipeline, Inc.
SPPLITT, Ltd.

Southern Pacific Transportation Company *
Central California Traction Company
Evergreen Leasing Corporation
Holton Inter-Urban Railway Company
Los Angeles Union Terminal, Inc.
Northwestern Pacific Railroad Company
Petaluma and Santa Rosa Railroad Company
The Ogden Union Railway and Depot Company
Pacific Fruit Express Company
Pacific Motor Transport Company
Pacific Motor Trucking Company
Louis Heller, Incorporated
Portland Terminal Railroad Company
Portland Traction Company
Southern Pacific Air Freight, Inc.
Southern Pacific Equipment Company
Southern Pacific International, Inc.
Southern Pacific Marine Transport, Inc.
Southern Pacific Warehouse Company
St. Louis Southwestern Railway Company
The Alton & Southern Railway Company
Arkansas & Memphis Railway Bridge and Terminal Company
Dallas Terminal Railway and Union Depot Company
Glascar, Inc.
Kansas City Terminal Railway Company
Southern Illinois and Missouri Bridge Company
The Southwestern Town Lot Corporation
Terminal Railroad Association of St. Louis
Trailer Train Company
Sunset Railway Company
Visalia Electric Railroad Company
Sunset Communications Company
Sunset Insurance Company
TOPS On-Line Services, Inc.

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* On December 23, 1983, Southern Pacific Company deposited all of the issued and outstanding shares of Southern Pacific Transportation Company in an independent voting trust with The Valley National Bank of Arizona as trustee.

THE BALTIMORE AND OHIO CHICAGO TERMINAL RAILROAD COMPANY

Chessie System Railroads
Allegheny and Western Railway Company
Atlanta and West Point Railroad Company
The Baltimore and Cumberland Valley Rail Road Extension Company
The Baltimore and Ohio Railroad Company
The Baltimore and Philadelphia Railroad Company
The Chesapeake and Ohio Railway Company
Clearfield and Mahoning Railway Company
The Cleveland Terminal & Valley Railroad Company
Columbia, Newberry and Laurens Railroad Company
CSX Corporation
Dayton and Michigan Railroad Company
Dayton and Union Railroad Company
Eastern Hardwoods, Incorporated
Home Avenue Railroad Company
Littleton Fuel Company [1]
Louisville, Henderson & St. Louis Railway Company
Mid Allegheny Corporation
Monon Coal Company, Inc.
Nashville & Decatur Railroad Company
New Gauley Coal Corporation
Port Huron and Detroit Railroad Company
Richmond, Frederickburg and Potomac Railroad Company
Seaboard System Railroad, Inc.
The South Carolina Pacific Railway Company
The Western Railway of Alabama
The Winchester and Potomac Railroad Company

THE BALTIMORE AND OHIO RAILROAD COMPANY

Chessie System Railroads
Allegheny and Western Railway Company
Atlanta and West Point Railroad Company
The Baltimore and Cumberland Valley Rail Road Extension Company

The Baltimore and Ohio Chicago Terminal Railroad Company
The Baltimore and Philadelphia Railroad Company
The Chesapeake and Ohio Railway Company
Clearfield and Mahoning Railway Company
The Cleveland Terminal & Valley Railroad Company
Columbia, Newberry and Laurens Railroad Company
CSX Corporation
Dayton and Michigan Railroad Company
Dayton and Union Railroad Company
Eastern Hardwoods, Incorporated
Home Avenue Railroad Company
Littleton Fuel Company
Louisville, Henderson & St. Louis Railroad Company
Mid Allegheny Corporation
Monon Coal Company, Inc.
Nashville & Decatur Railroad Company
New Gauley Coal Corporation
Port Huron and Detroit Railroad Company
Richmond, Fredericksburg and Potomac Railroad Company
Seaboard System Railroad, Inc.
The South Carolina Pacific Railway Company
The Western Railway of Alabama
The Winchester and Potomac Railroad Company

THE BELT RAILWAY COMPANY OF CHICAGO

The Atchison, Topeka and Santa Fe Railway Company
Burlington Northern Railroad Company
The Chesapeake and Ohio Railway Company
Consolidated Rail Corporation
Grand Trunk Western Railroad Company
Illinois Central Gulf Railroad Company
Missouri Pacific Railroad Company
Norfolk and Western Railway Company
Seaboard System Railroad, Inc.
Soo Line Railroad Company

BURLINGTON NORTHERN RAILROAD COMPANY

BN Financial Services Inc.
BN Leasing Inc.
Burlington Northern, Inc.
Burlington Northern Airmotive Inc.
Burlington Northern Foundation
Burlington Northern International Services Inc.
Burlington Northern Trading Company Inc.
Burlington Northern Motor Carriers Inc.
Burlington Northern Overseas Finance Company N. V.
The Belt Railway Company of Chicago
Burlington Northern Dock Corporation
Burlington Northern (Manitoba) Limited
Burlington Northern (Oregon-Washington) Inc.
Burlington Northern Railroad Properties Inc.
Camas Prairie Railroad Company
Clarkland, Inc.
Clarkland Royalty, Inc.
Davenport, Rock Island and North Western Railway Company
The Denver Union Terminal Railway Company
Galveston Terminal Railway Company
Houston Belt & Terminal Railway Company
Iowa Transfer Railway Company
Kansas City Terminal Railway Company
Keokuk Union Depot Company
The Lake Superior Terminal and Transfer Railway Company
Longview Switching Company
The Minnesota Transfer Railway Company
Paducah & Illinois Railroad Company
Portland Terminal Railroad Company
The Saint Paul Union Depot Company
Terminal Railroad Association of St. Louis
Trailer Train Company
Western Fruit Express Company
The Wichita Union Terminal Railway Company
Winona Bridge Railway Company

Northern Radio Ltd.
Colt Intermodal Inc.
Glacier Park Company
Dreyer Bros., Inc.
Glacier Arizona Company
Glacier Park Boulder Company
Glacier Park Denver Company
Glacier Park Riverpoint Company
Heritage Glacier Park Company
Kalispell Glacier Park Company
Maplewood Glacier Park Company
Tennessee Glacier Park Company
Glacier Park Liquidating Company
Intermodal Transportation of America Inc.
Meridian Minerals Company
Meridian Aggregates Company
Saxony Corporation
New Mexico and Arizona Land Company
NZ Development Corporation
NZ Properties, Inc.
Plum Creek Timber Company, Inc.
Research Applications Inc.
The El Paso Company
El Paso Natural Gas Company
BEM Holding Corporation
El Paso Del Peru Company
El Paso Development Company
Ex-Mission Ranches, Inc.
Lake Country
Windjammer, Inc.
Adams Canyon Ranch
Santa Paula Farms
El Paso Hydrocarbons Company
El Paso Frontera Corporation
El Paso Gas Transportation Company
El Paso Hydrocarbons Gas Processing Company
El Paso Hydrocarbons NGL Company
El Paso Hydrocarbons Pipeline Company

El Paso Hydrocarbons Service Company
El Paso Hydrocarbons Transportation Company
El Paso Storage Company
Minera San Pedro Corralitos, S.A.
Odessa Natural Gasoline Co.
Odessa Pipeline Company
Pecos Company
Trebol Drilling Company
El Paso Mojave Pipeline Company
El Paso Natural Gas Building Company
El Paso Natural Gas Clearinghouse Company
Meridian Petroleum Holding Inc.
Meridian Oil Production Inc. (Formerly El Paso Exploration)
EPX Company
Meridian Oil Inc. (Formerly Milestone Petroleum Inc.)
Butte Pipe Line Company
Northern Rockies Pipe Line Co.
Osage Milestone Petroleum Inc.
Portal Pipe Line Company
Meridian Oil Pipeline Inc.

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY

CNW Realco, Inc.
Iowa Transfer Railway Company
Kansas City Terminal Railway Company
The Lake Superior Terminal and Transfer Railway Company of the State of Wisconsin
Mid America Rail Properties, Inc.
Midwestern Railroad Properties, Incorporated
The Minnesota Transfer Railway Company
North Western Communications, Inc.
North Western Leasing Company
North Western Locomotive Company
Peoria and Pekin Union Railway Company
Railbox Company

The Saint Paul Union Depot Company
Trailer Train Company
Western Railroad Properties, Incorporated
Wisconsin Town Lot Company

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY *

Soo Line Corporation
Soo Line Railroad Company
Milwaukee Road Inc.
Milwaukee Motor Transportation Company
Chicago, Terre Haute and Southeastern Railway Company
The Southern Indiana Railway Company
The Bedford Belt Railway Company
Davenport, Rock Island & Northwestern Railway Company
Indiana Harbor Belt Railroad Company
National Railroad Passenger Corporation (Amtrak)
Kansas City Terminal Railway Company
Trailer Train Company

CONSOLIDATED RAIL CORPORATION

Akron & Barberton Belt Railroad Company
Albany Port Railroad Corporation
Belt Railway Company of Chicago
Calumet Western Railway Company
Chicago & Western Indiana Railway Company
Conrail Equity Corporation
CRC Properties, Inc.
Fruit Growers Express Company
Indiana Harbor Belt Railroad Company
Lakefront Dock & Railroad Terminal Company

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* On February 19, 1985, Milwaukee Road, Inc. acquired the operating rail assets of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company, which is in reorganization proceedings under the trusteeship of Richard B. Ogilvie.

Merchants Despatch Transportation Corporation
Monongahela Railway Company
Nicholas, Fayette & Greenbrier Railroad Company
Pennsylvania Truck Lines, Inc.
PTL Intermodal, Inc.
Peoria & Pekin Union Railway Company
Pittsburgh, Charetiers & Youghiogheny Railway Company
St. Lawrence & Adirondack Railway Company
Trailer Train Company

ELGIN, JOLIET AND EASTERN RAILWAY COMPANY

United States Steel Corporation
Bessemer and Lake Erie Railroad Company
Duluth, Missabe and Iron Range Railway Company
Union Railroad Company
McKeesport Connecting Railroad Company
The Newburgh and South Shore Railway Company
The Lake Terminal Railroad Company
The Pittsburgh & Conneaut Dock Company
Birmingham Southern Railroad Company

ILLINOIS CENTRAL GULF RAILROAD COMPANY

Abbott Realty Corporation
Abex A/S
Abex Corporation
Abex Denison Limited
Abex Finanzaria, S.r.l.
Abex Fluid Power Limited
Abex Equipment S.A.
Abex Ges. m.b.H.
Abex G.m.b.H.
Abex Industrial, S.A. de C.V.
Abex Industries, A.B.
Abex Industries Ltd.
Abex Industries, S.A.

Abex International Holdings Limited
Abex Japan, Ltd.
Abex Mead Limited
Abex Pagid Reibbelag G.m.b.H.
Almacenes Refrigerantes, S.A. De C.U.
Alton Manufacturing Company
American Brake Shoe Company
American Refrigeration Products, S.A.
Amsco Mexicana S.A.
Atherton Silencers Limited
Au Gourmet Foods De Luxe, Inc.
Basingstake Foods Limited
Belt Railway Company of Chicago, The
Big M Supermarkets, Inc.
Birmingham Exhaust Equipment Company Limited
Black, Diamond, Inc.
Blanchard-Ness Limited
Blue Island Railroad Company
Bolingbrook 55 Corp.
Boston Bean Pot, Inc.
Bradford Super Market, Inc.
Bridgewater Machine Company
Bubble-Up Company, Inc.
Butcher Boy Refrigerator Door Co.
California Specialty Stores, Inc.
Carls Drug Co., Inc.
Centigon, Inc.
Chandeysson Electric Company
Chesley Industries, Inc.
Chicago Community Ventures, Inc.
Chicago Intermodal Company
Cinta Azul S.A.
Cleveland Pneumatic Company
Cleveland Pneumatic Product Services Division, Inc.
Commander Foods
Compania America Refrigeracion de Centroamerica, S.A.
Compet Corporation
Cornish Canners Limited

Cosmic Enterprises, Inc.
Cosmic Stores, Inc.
Cove Development Corporation
Covex S.r.L.
Craig-Nicol (Contractors) Limited
Craig-Nicol (Sales) Limited
Cutcher Canning Co., Inc.
Dad's Root Beer Company
Dearborn Park Corporation
Denison Hydraulics Company, The
Denison Hydraulics India Limited
Diablitos Mexicanos, S.A.
Diabolitos Venezolanos, C.A.
Do-Ray Lamp Co. LTD
Environ of Inverrary, Inc.
A.B. Estrella
Exhaust Specialist LTD
Frendo Abex S.p.A.
Fren-Do Sud S.p.A.
Friend Brothers, Inc.
Frolic Homes, Inc.
Genadco Advertising Agency, Inc.
Genesis Cambridge Corp.
GM&O Land Company
Claude S. Gordon Company
Grac Air Conditioning Limited
Grupo de Refrigeracion Industrial y Comercial, S.A. de C.V.
Helvetia Leasing Corporation
Helvetia Milk Condensing Company, Inc.
Helvetia Properties, Inc.
Helvetia Redevelopment Corporation
Hi-Q Products Company
Hussmann Acceptance Co.
Hussmann Acceptance Co. Canada Limited
Hussmann Corporation
Hussmann Distributing Company, Inc.
Hussmann Equipment Limited

Hussmann International Inc.
Hussmann Refrigeration, Inc.
Hussmann Store Equipment, Ltd.
Hussmann (UK) Limited
Huth Manufacturing Corporation
IC Acquisition Company
IC Equipment Leasing Company
IC Equities, Inc.
IC Industries (Canada) Inc.
IC Industries, Inc.
IC Industries Finance Corporation, N.V.
IC Industries Insurance Co. Ltd.
IC Industries International, Inc.
IC Industries (International) S.A.
IC Industries (Mexico) S.A. de C.V.
IC Industries (UK) Limited
IC Industries G.m.b.H.
IC Leasing, Inc.
IC Products Company
Iconic, Inc.
ICP Holding Corp.
Illinois Center Corporation
Illinois Central Export Corporation
Illinois Central Industries, Inc.
Illinois Spiritous Beverages, Inc.
Industrias Frigorificas, S.A. de. C.V.
Insulated Sections Limited
International Parts Corporation
International Parts Manufacturing, Ltd.
International Stamping Company, Inc.
Jefferson Southwestern Railroad Company
Joliet Union Depot Company
Kansas City Terminal Railway Company
Ken-Craft Products, Inc.
Kensington and Eastern RR Co.
Kentuckiana Bottlers, Inc.
Kolmer Products Corporation
Krack Corporation

Krack Corporation International
L. & J. Durham Limited
Lakes Entrance Processors Pty. Limited
LaSalle Properties, Inc.
Laura Scudder's, Inc.
Le Silencieux, S. A.
Liverpool Big M, Inc.
Lloyds Abex Limited
Lloyds (Burton) Ltd.
Mayflower Products Limited
Metals Applied, Inc.
Mexican Holding Co.
Mid-American Improvement Corporation
Midas Australia Pty. Ltd.
Midas Automotive Ltd.
Midas Canada, Inc.
Midas Euro., Inc.
Midas Great Britain Ltd.
Midas International Corporation (Delaware)
Midas International Corporation (Wyoming)
Midas Muffler (Vic.) Pty., Limited
Midas Properties, Inc.
Midas Realty Corporation
Midas Realty Corporation of Canada, Inc.
Midas S.A.
Midas Silencers Centres—U.K. Limited
Midas Silencers Ltd.
Midas Steel Processing Services, Inc.
Midas Truck Body, Inc.
Mississippi Export Railroad Company
Mississippi Valley Corporation
Muffler Corporation of America
NWL Service Corp.
National Water Lift Company
Norris Homes, Inc.
North Carolina Corp.
Oak Village Development Corp.
O'Gorman France SARL

W. H. O'Gorman Limited
W. H. O'Gorman Holdings Limited
O'Gorman International Limited
O'Gorman Leasing Limited
W. H. O'Gorman Manufacturing Limited
O'Gorman Margaux Ireland Limited
O'Gorman Prestscold Limited
W. H. O'Gorman (Power Pack) Limited
1, 2, 3 Auto Service GmbH
P&C Food Markets, Inc.
P&C Food Markets Inc. of Vermont
Paducah & Illinois Railroad Company
Palmer Refrigeration Limited
Parmaco Products, Ltd.
Parrish Bakeries, Inc.
Harry Peck & Company
Peoria & Pekin Union Railway Company
Pepsi-Cola General Bottlers, Inc.
Pet Incorporated (Delaware)
Pet Incorporated (Wyoming)
Pet International Sales, Inc.
Pet Milk Company
Petrodyne S.A.
Petsub, Inc.
Pneumo Administrative Services, Inc.
Pneumo Australian Technical Services Corp.
Pneumo Corporation
Pneumo International Sales Co., Inc.
Pneumo Italian Technical Services Corp.
Pneumo Services Corporation
Port 400 Holding Company
Potteries Exhaust Centre Limited
P.V. Foods, Inc.
Refrigeracion Frio Lux, S.A.I.
Refrigeration Hussman LTEE
Refrigerator Contracts LTD
Richardson & Robbins Co.
S.A.Ateliers et Fonderies B. Piret

S&T of Mississippi, Inc.
S&T South, Inc.
St. Louis Lithographing Company
J.H. Senior and Company Limited
J.H. Senior and Company (Holdings) Limited
C. Shippam, Limited
Siprof S.A.
South Chicago Railroad Co., The
South Properties, Inc.
Southland Canning & Packing Co., Inc.
Spartanburg Dairy, Inc.
Stanray Corporation
Stephen F. Whitman & Son, Inc.
Stuckey's, Inc.
Stuckey's Stores, Inc.
Sundaram-Abex Limited
Terminal Railroad Association of St. Louis
Trailer Train Company
Turner Refrigeration LTD
William Underwood Company (Canada) Ltd.
William Underwood Company (V.A.)
William Underwood Company (Maine)
William Underwood Company (Massachusetts)
Uni-Abex Alloy Products Limited
Violet Packing Co., The
Walsall Exhaust Centre Limited
Waterloo Railroad Company
Wine & Spirits Enterprises, Inc.
Wolverhampton Exhaust Centre Limited

MISSOURI PACIFIC RAILROAD COMPANY

Union Pacific Corporation
Pacific Rail System, Inc.
Missouri Pacific Corporation
Alton & Southern Railway Company
American Refrigerator Transit Company

Arkansas & Memphis Railway Bridge and Terminal Company
The Belt Railway Company of Chicago
Brownsville and Matamoros Bridge Company
Chicago and Western Indiana Railroad Company
Chicago Heights Terminal Transfer Railroad Company
Doniphan, Kensett & Searcy Railway
Galveston, Houston and Henderson Railway Company
Great Southwest Railroad, Inc.
Houston Belt & Terminal Railway Company
Jefferson Southwestern Railroad Company
Missouri Improvement Company
Park Spring, Inc.
Stonegate Park, Inc.
Missouri Pacific Truck Lines, Inc.
Missouri Pacific Airfreight, Inc.
Missouri Pacific Intermodal Transport, Inc.
MP Equipment Corp.
MP Redevelopment Corporation
The Pueblo Union Depot and Railroad Company
Southern Illinois and Missouri Bridge Company
Terminal Railroad Association of St. Louis
Texas & Missouri Pacific Railroad Company
Texas City Terminal Railway Company
Terminal Industrial Land Company
Trailer Train Company
The Weatherford, Mineral Wells and Northwestern Railway Company
MRT Exploration Company
Union Pacific Railroad Company
Denver Union Terminal Railway Company
Kansas City Terminal Railway Company
Longview Switching Company
Los Angeles & Salt Lake Railroad Company
Mount Hood Railway Company
The Ogden Union Railway and Depot Company
Oregon Short Line Railroad Company
Des Chutes Railroad Company

Oregon-Washigton Railroad & Navigation Company
Portland Terminal Railroad Company
Camas Prairie Railroad Company
Yakima Valley Transportation Company
Pacific Subsidiary, Inc.
The Western Pacific Railroad Company
Alameda Belt Line
Central California Traction Company
Oakland Terminal Railway
Sacramento Northern Railway
Standard Realty and Development Company
Delta Finance Company, Ltd.
WPX Freight System, Inc.
Tidewater Southern Railway Company
Portland Traction Company
The St. Joseph and Grand Island Railway Company
St. Joseph Terminal Railroad Company
Spokane International Railroad Company
Union Pacific Freight Services Company
Union Pacific Fruit Express Company
Union Pacific Motor Freight Company
Union Pacific Finance N.V.
UP Leasing Corporation
Wasatch Insurance Limited
Champlin Petroleum Company
Champlin Canada Ltd.
Champlin Gas Pipeline, Inc.
Champlin Gas Processing Company
Champlin International Petroleum Company
Champlin Liquid Pipeline, Inc.
Calnev Pipe Line Company
Champlin Alaska Petroleum, Inc.
Nueces Pipeline, Inc.
Overthrust Pipe Line, Inc.
Panola Pipe Line Company
Wamsutter Pipeline, Inc.
Champlin Trading Company
Champlin Arguello Pipeline, Inc.

Champlin Mid-Continent Crude Oil Pipeline, Inc.
Champlin Mid-Continent Marketing, Inc.
Champlin Mid-Continent Products Pipeline, Inc.
Champline Petrochemicals, Inc.
Champlin Pipeline, Inc.
CMT Ltd.
Esperanza Pipeline Company
Harbor Service Stations, Inc.
Quality Aggregate Company
Union Pacific Resources Corporation
Union Pacific Resources Ltd.
Rocky Mountain Energy Company
Bitter Creek Coal Company
Elk Mountain Coal Company
Hanna Basin Coal Company
Kanda Development Co.
Prospect Point Coal Company
R M Leasing Company
Rock Springs Royalty Company
Stauffer Chemical Company of Wyoming
Winton Coal Company
Upland Industries Corporation
Unita Development Company
Union Pacific Land Resources Corporation
Upland Industrial Development Company

NORFOLK AND WESTERN RAILWAY COMPANY

Norfolk Southern Corporation
Southern Railway Company
The Akron & Barberton Belt Railroad Company
Chesapeake Western Railway
Fort Wayne Union Railway Company
Lake Erie Dock Company
Lambert's Point Docks, Incorporated
NW Equipment Corporation
The Nickel Plate Improvement Company, Inc.
Pocahontas Development Corporation
Pocahontas Land Corporation

The Scioto Valley and New England Railroad Company
Shenandoah-Virginia Corporation
The Toledo Belt Railway Company
Virginia Holding Corporation
Wabash Railroad Company
The Wheeling and Lake Erie Railway Company

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY

The Atchison, Topeka and Santa Fe Railway Company
Santa Fe Southern Pacific Corporation
Santa Fe Industries, Inc.
Advertising Direction Inc.
Alameda Belt Line
Central California Traction Company
The Clinton and Oklahoma Western Railroad Company
The Dodge City and Cimarron Valley Railway Company
Fresno Interurban Railway Company
The Garden City, Gulf and Northern Railway Company
The Gulf and Inter-State Railway Company of Texas
Haystack Mountain Development Company
The Kansas Southwestern Railway Company
Los Angeles Junction Railway Company
The Oakland Terminal Railway
Oklahoma City Junction Railway Company
Rio Grande, El Paso and Santa Fe Railway Company
St. Joseph Terminal Railroad Company
Santa Fe Forwarding Company
Santa Fe Industrial Realty Company
Santa Fe Rail Equipment Company
Santa Fe Terminal Services, Inc.
Santa Fe Transportation Company
Star Lake Railroad Company
Sunset Railway Company
Transit Ice Company
Kirby Forest Industries, Inc.
Walker-Kurth Lumber Company
Limited Partnership Management, Inc.
Robert E. McKee, Inc.

B & C General Agency, Inc.
McKee Building Services, Inc.
McKee Products, Inc.
Sun Country Construction Company
SF Minerals Corporation
Cerrillos Land Company
SF Coal Corporation
Santa Fe Mining, Inc.
Gallo Wash Coal Company
Hospah Coal Company
Pintada Coal Company
Santa Fe Capital, Inc.
Santa Fe Land Improvement Company
Chula Vista Bayfront Investment Company
Santa Fe Towers Land Company
Santa Fe Natural Resources, Inc.
Santa Fe Energy Company
SF Energy Company of Colombia
SF Energy Company of Indonesia
SF Energy Company of Indonesia (Bunyu Block)
SF Energy Company of Indonesia (Java Basin A)
SF Energy Company of Indonesia (Java Basin B)
Santa Fe Energy Company of Tunisia
Santa Fe Energy Products Company
Santa Fe Oil Company
Santa Fe Pacific Fuels Company
Santa Fe Pacific Railroad Company
Santa Fe Pipelines, Inc.
Gulf Central Pipeline Company
Gulf Central Storage and Terminal Company
Gulf Central Storage and Terminal Company of Nebraska
San Diego Pipeline Company
Santa Fe Marketing Company
Santa Fe Pipeline Company
Southwest Pipe Line Company
Standard Office Building Corporation
The Zia Company

Los Alamos Constructors, Inc.
SGSI Corporation
Southern Pacific Company
Bankers Leasing and Financial Corporation
Bankers Leasing Corporation
Asociados Internacionales del Pacifico
BLC Corporation
Commetro Leasing, Inc.
Commonwealth Control, Inc.
The Commonwealth Plan, Inc.
The Commonwealth Plan of Puerto Rico, Inc.
The Commonwealth System, Inc.
Financial Leasing Corporation
Lease Capital, Inc.
The Midwest Commonwealth Plan, Inc.
The Pacific Plan, Inc.
The Worcester Plan, Inc.
BLFC Securities Corporation
ComPlain, Inc.
Bravo Oil Company
Constellation 130, Inc.
Constellation Reinsurance Company
Constellation Reinsco, Inc.
CRM Associates, Inc.
Galaxy Reinsurance Company
One Market Street Properties, Inc.
Pacific Petroleum Pipe Lines, Inc.
San Diego Pipeline Company
Santa Fe Pacific Realty Corporation
Santa Fe Pacific Timber Company
So Pac Finance N.V.
Southern Pacific Development Company
Canton Street Properties, Inc.
Golden Empire Investment Corporation
Southern Pacific Industrial Development Company
Southern Pacific Land Company
Geoproducts Corporation
Southern Pacific Pipe Lines, Inc.

Black Mesa Pipeline, Inc.
Mescalero Pipeline, Inc.
SPPLITT, Ltd.
Southern Pacific Transportation Company *
Central California Traction Company
Evergreen Leasing Corporation
Holton Inter-Urban Railway Company
Los Angeles Union Terminal, Inc.
Northwestern Pacific Railroad Company
Petaluma and Santa Rosa Railroad Company
The Ogden Union Railway and Depot Company
Pacific Fruit Express Company
Pacific Motor Transport Company
Pacific Motor Trucking Company
Louis Heller, Incorporated
Portland Terminal Railroad Company
Portland Traction Company
Southern Pacific Air Freight, Inc.
Southern Pacific Equipment Company
Southern Pacific International, Inc.
Southern Pacific Marine Transport, Inc.
Southern Pacific Warehouse Company
St. Louis Southwestern Railway Company
Arkansas & Memphis Railway Bridge and Terminal Company
Dallas Terminal Railway and Union Depot Company
Glascar, Inc.
Kansas City Terminal Railway Company
Southern Illinois and Missouri Bridge Company
The Southwestern Town Lot Corporation
Terminal Railroad Association of St. Louis
Trailer Train Company
Sunset Railway Company
Visalia Electric Railroad Company

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* On December 23, 1983, Southern Pacific Company deposited all of the issued and outstanding shares of Southern Pacific Transportation Company in an independent voting trust with The Valley National Bank of Arizona as trustee.

Sunset Communications Company
Sunset Insurance Company
TOPS On-Line Services, Inc.

SEABOARD SYSTEM RAILROAD

Carolina, Clinchfield and Ohio Railway
Carolina, Clinchfield and Ohio Railway of South Carolina
Holston Land Company, Incorporated
Seaboard System Railroad, Inc.
Atlanta and West Point Rail Road Company
Atlantic Land and Improvement Company, The
James Center Development Company
James Center Development Company—Richmond
North Bank Development Company
Wesjax Development Company
Augusta and Summerville Railroad Company
Beaver Street Tower Company
Belt Railway Company of Chicago
Carrollton Railroad, The
Central Florida Pipeline Corporation
Central Railroad Company of South Carolina, The
Central Transfer Railway and Storage Company
Chatham Terminal Company
Chicago and Indianapolis Coal Company, Inc.
Monon Coal Company, Inc.
Chicago and Western Indiana Railroad Company
Duval Connecting Railroad Company
Evansville Connecting Railroad Company
First Georgia Development Corporation
Fruit Growers Express Company
Gainesville Midland Railroad Company
Glasgow Railway Company, The
Kentucky Central Railway Company
L&N Investment Corporation
Cybernetics & Systems, Inc.
Houston-McCord Realty Company
Nashville & Decatur Railroad Company
Norfolk and Portsmouth Belt Line Railroad Company

North Charleston Terminal Company
Paducah & Illinois Railroad Company
Richmond-Washington Company
Richmond, Fredericksburg and Potomac Railroad Company
Savannah River Terminal Company
Seaboard Coast Line Railway Supplies, Inc.
Seaboard Tampa Investment Corporation
Seacoast Transportation Company, The
Terminal Railroad Association of St. Louis
Trailer Train Company
Western Railway of Alabama, The
Western Railway Properties, Inc.
Winston-Salem Southbound Railway Company
High Point, Thomasville & Denton Railroad Company
Woodstock & Blocton Railway Company

SOO LINE RAILROAD COMPANY

Soo Line Company
Belt Railway Company of Chicago, The
Canadian Pacific Limited
Lake Superior Terminal & Transfer Railway Company, The
Milwaukee Road Inc.
Minneapolis Northfield and Southern Railway, Inc.
Minnesota Transfer Railway Company
Saint Paul Union Depot Company, The
Sault Ste. Marie Bridge Company
Soo Line Equipment Company
Tri-State Land Company

SOUTHERN RAILWAY COMPANY

Airforce Pipeline, Inc.
The Alabama Great Southern Railroad Company
Algers, Winslow and Western Railway Company
Arrowood-Southern Company
Arrowood Southern Executive Park, Inc.

The Atlanta and Charlotte Air Line Railway Company
Atlanta Terminal Company
Atlantic and East Carolina Railway Company
Birmingham Terminal Company
Blue Ridge Railway Company
Camp Lejeune Railroad Company
Carolina and Northwestern Railway Company
Central of Georgia Railroad Company
Charlotte-Southern Corporation
Chatham Terminal Company
Chattanooga Station Company
Chattanooga Terminal Railway Company
The Cincinnati, New Orleans and Texas Pacific Railway Company
Citico Realty Company
Danville and Western Railway Company
Durham and South Carolina Railroad Company
Elberton Southern Railway Company
The Georgia Midland Railway Company
The Georgia Northern Railway Company
Georgia Southern and Florida Railway Company
High Point, Randleman, Asheboro and Southern Railroad Company
Interstate Railroad Company
Lenoir Car Works
Live Oak, Perry and South Georgia Railway Company
Louisiana Southern Railway Company
Memphis and Charleston Railway Company
Mobile and Birmingham Railroad Company
The National Investment Company
New Orleans Terminal Company
Norfolk and Western Railway Company
Norfolk Southern Corporation
Norfolk Southern Industrial Development Corporation
The North Carolina Midland Railroad Company
North Charleston Terminal Company
St. Johns River Terminal Company
The South Western Rail Road Company

Southern Rail Terminals, Inc.
Southern Rail Terminals of Alabama, Inc.
Southern Rail Terminals of North Carolina, Inc.
Southern Railway-Carolina Division
Southern Region Coal Transport, Inc.
Southern Region Industrial Realty, Inc.
Southern Region Materials Supply, Inc.
Southern Region Motor Transport, Inc.
State University Railroad Company
Tennessee, Alabama & Georgia Railway Company
Tennessee Railway Company
Terminal Properties, Inc.
Transylvania Railroad Company
Virginia and Southwestern Railway Company
Woodstock & Blocton Railway Company
Yadkin Railroad Company